

December 21, 2001

The Honorable G. Chance Crawford
Clerk of the Circuit Court
City of Salem

City Council
City of Salem

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the City of Salem for the period April 1, 2000 through September 30, 2001.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted a weakness in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Monitor and Disburse Liability Accounts

The Clerk is not monitoring his liability accounts monthly as required by the FMS User's Manual, Chapter 7. Liability accounts record amounts that the Clerk is holding to disburse to individuals, other agencies or others, or to pay fines and costs.

Further, the Clerk does not perform due diligence to disburse unclaimed property and does not disburse liability accounts as required by the Code of Virginia. We found the following:

- The Clerk has not remitted nine unclaimed accounts over a year old totaling \$3,094.25 to the Division of Unclaimed Property as required by §55-210.9:2 of the Code of Virginia.
- The Clerk has not disbursed 27 restitution payments totaling \$3,404.16. Thirteen of the 27 payments are over a year old and have not gone to the Criminal Injuries Compensation Fund as required by §19.2-305.1 (E) of the Code of Virginia.

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- The Clerk has not followed up on a disbursement totaling \$1,094.38, which has been outstanding for over four years.
- The Clerk has not disbursed three bonds totaling \$525 for closed cases.

The Clerk should monitor liabilities, perform due diligence, and disburse liabilities on a regular basis. The Clerk should also send unclaimed property to the appropriate division or fund after due diligence procedures to locate the recipient have failed.

We discussed these comments with the Clerk on December 27, 2001 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Richard C. Pattisall, Chief Judge
Forest Jones, City Manager
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia
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